

where that must be restored—that constructive works and manufactures, food production and the import of foodstuffs and necessaries, the rehabilitation of industries and commerce in every direction, will bring about a great revival of trade to supply the waste; but this revival will absorb all the money available, at high rates of interest. Money will be exceedingly scarce and dear, and only the proceeds of our own earnings in farm and other products will be available for Canada: none can be spared for her public or municipal purposes, for there will be no savings accumulated and continually accumulating in Great Britain, whence our main supply always comes. Savings there are diminished greatly, and what is left is being used up to aid in financing the war; for a long time after this is ended all will be absorbed in paying its cost and repairing its ravages. What then in Canada are we to do?

A growing trend is seen in the West toward the United States. Recently every year an increasing proportion of our loans has come from there. Provincial government and municipal borrowings from the States are increasing; and if the West cannot get money for municipal development and other like purposes from Great Britain we must perforce turn to the States. Only, loans obtained there will of course be sent us indirectly in the form of American manufactures and products, to the detriment to some extent of our own manufacturers and merchants in the East, unless such imports be effectually checked by the tariff.

We last year had a fairly good surplus in value though not in quantity of grain to export after supplying our own needs, and out of the proceeds we ought to have been able to pay for our imports and the interest on our indebtedness abroad. Did we at all succeed in so restoring the balance of trade against us? There was not near enough of the harvest to do this and keep us going until next autumn; and we are not likely to be as well off in that respect this year as last. It is certain that since our inability to borrow further began our adverse balance of trade has steadily grown until it amounts to hundreds of millions of dollars yearly. We have now much leeway to make up, and no one harvest, however bountiful, can do this; and being still unable to borrow, we must absolutely set about reducing our imports to some extent and increasing our exports to the utmost possible.